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OCA88-0121
19 January 1988

MEMORANDUM FOR: [REDACTED]

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FROM:

[REDACTED] Legislation Division
Office of Congressional Affairs

SUBJECT:

Rangel Provision on South Africa in Budget
Reconciliation Law

REFERENCE:

[REDACTED]

25X1

1. [REDACTED] the following discusses the "Rangel Provision" in the Omnibus Budget Reconciliation Act, P.L. 100-203, which affects companies doing business in South Africa.

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2. Section 10231 of the Act amends the Internal Revenue Code of 1986 to deny certain benefits to companies doing business in South Africa. Beginning on 1 January 1988, these companies may not receive foreign tax credits or defer United States tax on their income. These restrictions may be lifted when the Secretary of State determines that South Africa has taken specific steps to undermine apartheid. The provision and the accompanying portion of the explanatory statement of managers are attached.

3. It is unlikely that this provision will have much impact on companies doing business in South Africa. However, Congressman Dellums is seeking to publicize his bill to end apartheid, H.R. 1580, which may have far-reaching consequences in the event that it is enacted. That bill and an explanatory memorandum are also attached.

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Attachments

[REDACTED]

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